HOUSE BILL No. 1409

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-13.

Synopsis: EDGE credit. Provides that an applicant may not obtain an economic development for a growing economy (EDGE) tax credit to retain existing jobs in Indiana unless the average compensation paid to the applicant's employees exceeds the lesser of the average county wage or the average state wage. Reduces the number of employees the applicant must employ from 200 to 75. Changes the minimum ratio of local incentives to EDGE credits from \$1.50 per \$3 of EDGE credits to \$1 per \$2 of EDGE credits. Requires the EDGE board to consider, in determining the amount of an EDGE credit, the average wage paid by the applicant (rather than the amount by which this average wage exceeds the average county wage).

Effective: July 1, 2005.

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January 13, 2005, read first time and referred to Committee on Commerce, Economic Development and Small Business.





First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

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HOUSE BILL No. 1409

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A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

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Be it enacted by the General Assembly of the State of Indiana:

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SECTION 1. IC 6-3.1-13-15.5 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15.5. This section
applies to an application proposing to retain existing jobs in Indiana
After receipt of an application, the board may enter into an agreemen
with the applicant for a credit under this chapter if the board
determines that all the following conditions exist:

- (1) The applicant's project will retain existing jobs performed by the employees of the applicant in Indiana.
- (2) The applicant provides evidence that there is at least one (1) other competing site outside Indiana that is being considered for the project or for the relocation of jobs.
- (3) A disparity is identified, using the best available data, in the projected costs for the applicant's project in Indiana compared with the costs for the project in the competing site.
- (4) The applicant is engaged in research and development, manufacturing, or business services (as defined in the Standard Industrial Classification Manual of the United States Office of



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1	Management and Budget).
2	(5) The average compensation (including benefits) provided to the
3	applicant's employees during the applicant's previous fiscal year
4	exceeds the average compensation paid during that same period
5	to all employees in the county in which the applicant's business is
6	located by at least five percent (5%). lesser of:
7	(A) the average wage in the county where the project for
8	which the credit under this chapter is granted will be
9	located; or
10	(B) the average wage in the state;
11	during the same period, as determined by the department of
12	commerce.
13	(6) The applicant employs at least two hundred (200)
14	seventy-five (75) employees in Indiana.
15	(7) The applicant has prepared a plan for the use of the credits
16	under this chapter for:
17	(A) investment in facility improvements or equipment and
18	machinery upgrades, repairs, or retrofits; or
19	(B) other direct business related investments, including but not
20	limited to training.
21	(8) Receiving the tax credit is a major factor in the applicant's
22	decision to go forward with the project, and not receiving the tax
23	credit will increase the likelihood of the applicant reducing jobs
24	in Indiana.
25	(9) Awarding the tax credit will result in an overall positive fiscal
26	impact to the state, as certified by the budget agency using the
27	best available data.
28	(10) The applicant's business and project are economically sound
29	and will benefit the people of Indiana by increasing or
30	maintaining opportunities for employment and strengthening the
31	economy of Indiana.
32	(11) The communities affected by the potential reduction in jobs
33	or relocation of jobs to another site outside Indiana have
34	committed at least one dollar and fifty cents (\$1.50) (\$1) of local
35	incentives with respect to the retention of jobs for every three two
36	dollars (\$3) (\$2) in credits provided under this chapter. For
37	purposes of this subdivision, local incentives include, but are not
38	limited to, cash grants, tax abatements, infrastructure
39	improvements, investment in facility rehabilitation, construction,
40	and training investments.
41	(12) The credit is not prohibited by section 16 of this chapter.
42	SECTION 2 IC 6-3 1-13-17 IS AMENDED TO READ AS



FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. In determining the credit amount that should be awarded to an applicant under section 15 of this chapter that proposes a project to create jobs in Indiana, the board shall take into consideration the following factors: (1) The economy of the county where the projected investment is to occur. (2) The potential impact on the economy of Indiana. (3) The incremental payroll attributable to the project. (4) The capital investment attributable to the project. (5) The amount the average wage paid by the applicant. exceeds the average wage paid within the county in which the project will be located. (6) The costs to Indiana and the affected political subdivisions with respect to the project. (7) The financial assistance that is otherwise provided by Indiana and the affected political subdivisions. As appropriate, the board shall consider the factors in this section to determine the credit amount awarded to an applicant for a project to retain existing jobs in Indiana under section 15.5 of this chapter. In the case of an applicant under section 15.5 of this chapter, the board shall consider the magnitude of the cost differential between the projected costs for the applicant's project in the competing site outside Indiana and the projected costs for the applicant's project in Indiana.																																		
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